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SUBJECT: ALN EXAMINES ITS ROLE AS NEW DEMOCRATIC FORCE

REF: MANAGUA 2724 AND PREVIOUS

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

¶1. (C) Summary: During a recent Embassy-hosted lunch, Nicaraguan Liberal Alliance (ALN) deputies-elect (headed by Eduardo Montealegre) and leaders of the alliance parties discussed strategy, the future of the ALN, Eduardo Montealegre's role in the party and the need for consolidation. Montealegre aired his views on the future of the party and the deputies expressed their differing perspectives on working with the Liberal Constitutional Party (PLC) while Arnaldo Aleman maintains control. The deputies agreed with the Ambassador that the ALN must work on internal unity and maintaining alliances among the constituent parties, as well with regional party organizations and civil society, to protect Nicaraguan democracy. End Summary.

¶2. (C) The Ambassador opened a December 22 lunch with the ALN by congratulating the party leaders on proving that they are the new democratic force in Nicaragua. He emphasized the United State's determination not to abandon Nicaragua and pledged continued support for the ALN and all democratic forces who represent Nicaragua's future. The Ambassador then queried Montealegre about the party's plans for the future and how the United States could reinforce them.

Future of the ALN

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¶3. (C) Montealegre stated that he will work to honor his campaign promises to defend human liberties and help Nicaragua's most needy. He believes that the ALN is the major legitimate representative of democracy in the country and that the party needs to get this message out, especially to rural areas. The deputies agreed that the ALN must develop a stronger presence in rural and remote areas and that this effort should be a focus for the 2008 municipal elections. Montealegre commented that outreach efforts in these areas should be channeled through local radio stations.

(The PLC currently dominates local radio in the north and was also very successful in particularly remote areas like the South Atlantic Autonomous Region (RAAS).) Current ALN deputy and evangelical leader Delia Arellano stated that the ALN should pursue social projects, perhaps working with local churches. Not only would such a focus help fulfill campaign promises, but would serve as a strategy to raise awareness and gain new supporters for the ALN. Liberal Salvation Movement leader Eliseo Nunez Sr. stressed the need for the ALN to work with small and medium-size NGOs and asked for U.S. help in gathering a list and contacting the NGOs.

¶4. (C) Besides concerns about consolidating power,

Montealegre and ALN members are grappling with the issue of how to deal with the PLC and what role they will play in the National Assembly. ALN deputies hold differing opinions on working with the PLC -- whether to ignore them, co-opt them, or engage them on serious issues. ALN deputy Yamileth Bonilla stated that working with the PLC or attempting to co-opt their deputies is not viable while Aleman remains in power. Other deputies feel that it is possible to sway certain PLC deputies who are disappointed by the election results and disillusioned with the party. (Comment: An alternative option previously discussed with ALN leaders would be to convince PLC deputies unhappy with Aleman's leadership to form a caucus of independent Liberal deputies. End Comment.)

15. (C) Bonilla had previously told polcouns that the ALN would seek the presidency or the first secretary position on the National Assembly's new Board of Directors. She also reported that the ALN was lobbying to chair the Defense and Government committees and to obtain other positions in the Municipal, Education and Health committees. Montealegre confirmed the ALN's interest in the committees, but commented that the party "can't give up its soul" to gain the presidency or first secretary slot. He stated that instead, the ALN should "be the outsider," fighting against the status quo.

#### Party Alliances

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16. (C) The ALN is an alliance comprised of several parties and movements, some elements of which have indicated they might separate. One of the major threats to the ALN was from a principal component of the Alliance -- the Conservative Party (PC). PC president Azalia Aviles had previously reported to polcouns that, according to PC statutes, the party deputies must form their own caucus in the National Assembly if possible. The PC has five deputies-elect, enough to form a caucus. During the lunch with the Ambassador, Aviles reported that PC party members during their last meeting had decided "not to vote" on establishing their own caucus; at least for the time being, they are tabling the decision. (Comment: The Conservative Party has many adherents in the elite classes and enjoys considerable financial and human resources. Nevertheless, the party does not command popular support outside of a few geographic areas, such as Granada. They would never have been able to increase their representation in the National Assembly from one to five deputies without the ALN. Aviles appears to realize that fact, but other influential PC leaders continue to push for separation. End Comment.)

17. (C) The Ambassador commented that the ALN must work on maintaining internal unity and hold off on trying to draw PLC deputies to ally with the ALN. If the ALN is a cohesive, unified alliance of parties, it will be a much more attractive and powerful draw to disenchanted PLC deputies.

#### Eduardo's Role - Striking a Balance between Lawmaker and Future Presidential Candidate

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18. (C) ALN deputy Maria Eugenia Sequeira added that the ALN needs a strong leader to hold the Alliance together and that Montealegre must establish himself as that leader. She commented on the need for Montealegre to balance his work in the National Assembly with getting out to rural areas to campaign for the ALN. The other deputies seemed to agree that Montealegre should limit his appearances in the National Assembly to key issues and key votes. Sequeira suggested that he work closely with President Bolanos, who will also have an Assembly seat, noting that Bolanos can be the outspoken "rabble-rouser" on key issues and Eduardo can adopt a more "statesman-like" role.

#### Ley Organica

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¶9. (C) Montealegre informed the Ambassador that he had already met with the FSLN on the Ley Organica (Ways and Means law for the National Assembly -- reftel) and that they were willing to get rid of some of the more controversial articles, including parts of article 53. Article 53 grants the National Assembly the authority to summon anyone to appear before them and provide information, and carries the threat of prison if the person fails or refuses to appear. Montealegre added that the original intent had been to limit the article to former and current government officials. (Note: Although Montealegre made little mention of the MRS during the lunch, he did note that Edmundo Jarquin's strong statements against the Ley Organica had received extensive press coverage. End Note.)

U.S. Role

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¶10. (C) Montealegre commented on the need for funding and training of National Assembly staff and asked about possible assistance from the United States. APRE President Miguel Lopez Baldizon echoed the need for training in "political management." He wants to establish a think tank that would help the new opposition compete against the FSLN government and is also interested in establishing a degree or certificate program in "political management." The Ambassador suggested that we are looking for ways to re-focus our democracy assistance funds.

¶11. (C) Liberal Independent Party leader Indalecio Rodriguez inquired about the possibility of extending Millennium Challenge Corporation (MCC) projects to the northern departments, near the Nicaragua-Honduras border. The Ambassador responded that there may be an opportunity to add on to the existing project and that the north would be a key area. Several of the deputies questioned the Ambassador about the possibility of the MCC pulling out of Nicaragua. Most seemed to think that if the MCC departed Nicaragua, Chavez would provide financing to finish the projects. The loss in funding then would not be a concern for the FSLN, but the message such a move would send to the rest of the world and the effect that would have on continued investment in Nicaragua could be profound.

¶12. (SBU) Nicaraguan Attendees:

Eduardo Montealegre - ALN President  
Azalia Aviles - PC President  
Yamileth Bonilla - ALN Deputy  
Delia Arellano - ALN Deputy and evangelical leader  
Miguel Lopez Baldizon - APRE President  
Eliseo Nunez Sr. - MSL President  
Indalecio Rodriguez - PLI President  
Maria Eugenia Sequiera - ALN Deputy  
Oscar Sobalvarro - PRN representative  
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